KARELIA UNIVERSITY OF APPLIED SCIENCES
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COMMISSIONING PLAN FOR CRM SYSTEM TO A CASE COMPANY

Thesis
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Tekijä
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Nimeke
CRM -järjestelmän käyttöönottosuunnitelma case yritykselle

Toimeksiantaja
Case yritys

Tiivistelmä

Opinnäytetyön tarkoituksena oli toteuttaa operatiivinen suunnitelma uuden asiakkuudenhallintajärjestelmän käyttöönotolle toimeksiantaja case yritykselle.

Työ toteutettiin toiminnallisena työnä. Se pohjautui keskusteluihin, jotka käytiin järjestelmän tulevien käyttäjien kanssa tytäryhtiössä Venäjällä sekä järjestelmäasiantuntijan kanssa emoyhtiössä Suomessa. Toimeksiantajan tavoitteena oli saada tietoa ja yleinen näkemys asiakkuudenhallintajärjestelmästä ja sen käyttöönoton vaatimuksista.

Järjestelmän käyttöönotot on suoritettu lähes kaikissa organisaation tytäryhtiöissä. Venäjä eroaa case yrityksen muista markkina-alueista, minkä vuoksi suunnittelu vaatii erilaista lähestymistä kuin aikaisemmat käyttöönotot.

Toimeksiantaja voi käyttää opinnäytetyötä käyttöönottoprosessin suunnittelussa, toimeenpanossa ja arvioinnissa. Jatkokehityksenä on suositeltavaa dokumentoida myös varsinainen järjestelmän sekä resurssien käyttö. Dokumentoidut kokemukset ja arvioinnit helpottavat projektin hallintaa tulevaisuudessa.

Kieli
Englanti

Sivuja 33
Liitteet 3
Liitteiden sivumäärä 6

Avainsanat
Asiakkuudenhallinta, muutosjohtaminen, prosessi, projekti

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Title
Commissioning Plan for a CRM System to a Case Company

Commissioned by
Case Company

Abstract

The purpose for this thesis was to create an operational plan according to commissioning of new Customer Relationship Management system to a principal case company.

Thesis was performed as functional work. It was based on conversations with subsidiary's upcoming users in Russia and with a system specialist from parent company in Finland. Need for principal was to get information and common understanding about the Customer Relationship Management system and what it demands when executing.

Commissionings of the system have been done already in almost all the subsidiaries of the parent company. Russia differs from parent company´s other market areas, which requires certain specific approach to planning.

Principal may use the thesis to support the planning, commissioning and evaluation of the execution process. Considering extension of the project, it is recommended for company to document the actual usage of the system and consumption of resources. Documented experiences and evaluations would ease the management in future.

Language	Pages 33
English	Appendices 3
	Pages of Appendices 6

Keywords

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Content

Appendices

1 Introduction

Customer Relationship Management (CRM) is a term which indicates to customs, strategies and techniques that companies use to control and analyze customer interaction and information through the whole lifecycle of customership. Customer oriented approach and information system are combined in CRM. Improving business relations with customers, retaining customer loyalty and increasing of sales are objectives for CRM systems. CRM softwares combine customer information and documents into one database, which enables to employees' more efficient ways of working. In essence, the mission for CRM usage is to improve ability of management to follow real time performance and productivity, based on the information registered into the system. (Ite wiki Oy 2018.)

Purpose of this thesis was to create an operative commissioning plan for CRM system to the principal case company. The case company is a subsidiary of a Finnish company and is located in Saint Petersburg, Russia. Case company specializes in production, sales and maintenance of forest machines designed for the cut-to-length method and in related information systems. Registered head office of the case company is in Vieremä, Finland. (Case company Oyj 2018.)

Observations and suggestions for development during the practical training in case company lead to an assignment for thesis. During the traineeship in marketing department, it became evident that software systems as ERP (Enterprise Resource Planning) and CRM (Customer Relationship Management) could be useful for the company.

The aim for this thesis was to describe demands of commissioning process of the CRM system and create instructions for a controlled project. In theoretical part of the thesis backgrounds of a CRM system, project management and change are considered.

This thesis was performed as a functional work. On professional field, functional thesis aims to instruct, guide and organize practical operations. Functional thesis may be for example instructions that are directed to occupational usage. (Vilkka & Airaksinen 2003, 9.) The thesis concentrates on the challenges and possibilities of initiating the use of a CRM system. Based on these, practical instructions for pilot group, to support planning and commissioning periods of the project are created. In thesis, possibility to expand system to company's dealer network in Russia is also considered. Thesis is completed before commissioning and thus, it does not deal with results of the project.

2 CRM systems

Customer relationship management technology evolved from handwritten notes to databases stored on computers, and its purpose has always been the same - to keep customer service at the forefront of business's efforts. In the 1990´s growth and improvement was seen in the use of CRM systems and CRM platforms were transformed by 'software as a service', SaaS. With cloud computing, everyone who interacted with customers could see the entire customer experience at a glance, and this helped to create the customer-centric, personalized experience that people expect to have with companies. (Ghergish 2018.)

The focus of the CRM industry is to provide seamless processes within a company. Prior to CRM systems such as Salesforce, centralizing information required extensive data entry. However, the utilization of Salesforce within departments in a company allows accessible circulation of information. Besides process control it is a valuable tool providing visibility, tracking, reporting and several quantifiable metrics which enable companies to more effectively hit strategic goals. (Nath 2018.)

According to Tiirikainen (2010, 35) a CRM system includes typically a coherent client database, information about contacts, meetings, marketing operations and tracking of sales from first meeting through lead to final commerce. Besides

basic operational tools, a CRM system gives tools for reporting and analyzing customer´s purchasing behavior and efficiency of marketing operations through sales. CRM system suppliers underline that understanding of customers is in key role in a company´s success. Through CRM softwares, companies may ease the communication between the company and the customers and improve customer service. “Figure 1” demonstrates the basic logic of a CRM solution (Morales 2018):

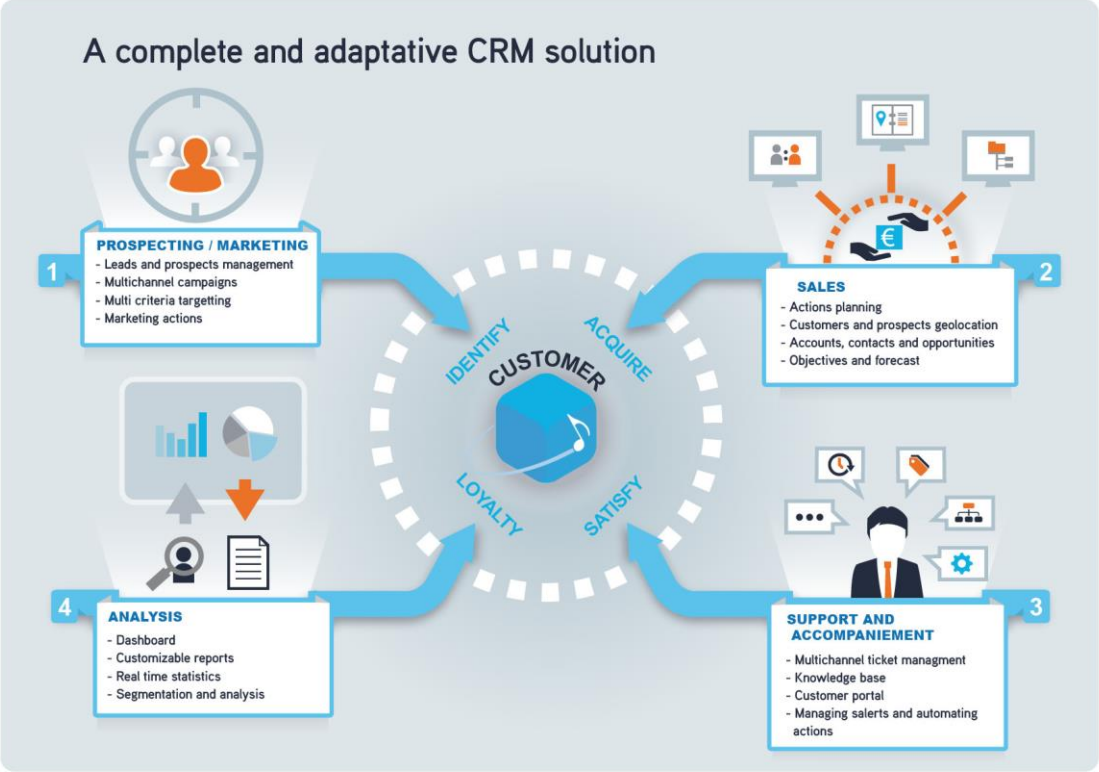

Figure 1 Logic of CRM solution

In case company Finland, the CRM system was introduced in 2016. CRM system in use is Salesforce Sales Cloud CRM. Salesforce Inc. is a cloud computing company which headquarters is located in San Francisco, California. Salesforce is a cloud-based CRM platform which aims to increase the performance of management, sales and marketing. (Salesforce 2018.)

CRM system gives tools for the management department to process sales activities and in forecasting of financial results. With the support of the system, sales department is able to administrate customerships efficiently and the in-

formation remains, which eases the communication and daily work between other sellers. According to research executed by Salesforce (2018), commissioning of their CRM solution has improved the business of customer companies:

- 43 % growth in changing leads to customerships
- 44 % growth in sales productivity
- 37 % growth in amount of won sales
- 48 % growth in accuracy of sales forecast
- 37 % growth in sales.

Principal migrated to IFS ERP system which enables for their part also to migrate to the same CRM system as the parent company. The Salesforce software is not well-known in the case company, and therefore, thorough planning is a significant factor for the success of the project.

3 Previous experiences of CRM systems in the case company

Case company has taken the CRM system in use in stages almost in every subsidiary around the world. At the moment the system is directed for sales departments. In Finland it has been used also in marketing department, but the main area of use is still in sales. According to system specialist (2018), the person in charge of CRM system in the parent company, purpose for usage of the system is to get:

- Availability of contact information
- Information about the end customers
- Documented history of activities and contacts with customer: what has been discussed, what has led to sales, why a deal has been lost
- Information about prices of sales
- Information about quantity of machine service and spare parts

- Measurement system for invoicing of spare parts and services per machine: how much profit can be done/machine in order for the seller to be able to do better choices between customers
- Knowledge when a certain machine is going to be ready in the factory to ease the sales
- Predictability of sales and pricing for management.

Experiences of commissioning have been varied: in some cases the system has been taken to use well, but in some cases there has been no use at all. Major challenge has been in individual usage. Continuing with customary habits and ways of working is the greatest challenge against using the new system. This is solved in Sweden and Finland in such a way that payment of salaries has been done through the system. This has increased usage of the system. Other instance of challenge is difference between various working cultures. For example attitude about sharing sales information between workers differs a lot between countries. These are decided country-specificly. (System specialist 2018.)

In subsidiaries, commissioning has been done with pilot teams. For example in Sweden at first there were three persons who started to use the system. After the pilot project it was easier to spread use of the system also to other users. Russia differs from the case company´s other market areas regarding its dealer network. In other countries the parent company has own sales representatives, but in Russia the percentage of own sales representatives is minor. (System specialist 2018.)

Majority of the sales is done by the dealer network. The challenge is that because of this the company does not get information about end customers from Russian market. Regarding this, case company´s sales department will form the first pilot group. After the pilot, it is planned to test the system also in dealer network. It is considered to test first in one or two units to see how it works and how it is taken in use. If successful, it could be spread to all units. (System specialist 2018.)

At the moment, the case company is having one person in charge of the CRM system; educating, responsible in technical details and helping in usage. Case company has not made a contract with Salesforce technical support. At first in the case company there will be about 3-4 users for the system, but in dealer network they are aiming at about 20-30 users. If the system is spreading to dealer network, there will be need for own person in charge of the CRM system also from Russia. For example linguistic challenges may be confrontational for the current person in charge. (System specialist 2018.)

Usually the need for education and training of the CRM system has been one to two days in the new unit. Participants have entered sales data from previous sales cases which have then been saved into the system together. Trainer has given instructions about basics of the system: how to enter and edit the data and for example how to get reports out of the system. The training event is usually preferred to keep on conversational level. They are not kept only as informational; trainer has hoped people would participate in practice as much as possible. Support material, which includes basics of technical information, has been given to the participants. (System specialist 2018.)

4 Approach to CRM project

Bringing in a new technical solution is considered as an operational change in a company. Operational change focuses on how to improve existing operations to perform better keeping the organization´s goals the same (Murthy 2007, 14). CRM commissionings are unique, because in them are combined changes in business processes and usage of new tools, without true necessity. In other words, working in company does not paralyze even though the system is not used at all. This lack of necessity dictates a special way to approach the matter. (Oksanen 2010, 10.) Therefore the first baseline in CRM projects is, that system is not recommended to be used, it is taken in to use.

Besides proper planning, managing the successful change requires commitment to the project. Oksanen (2010, 49-50) highlights that commitment is more than just approval to the project. Commitment means a present choice, which ties an organization in the future. Without commitment and common understanding of the project, there will appear major risk for change resistance. Oksanen (2010, 71) points out that CRM projects are commonly criticized because there is no real need of change. People feel that current situation is good enough and that change is unnecessary.

Valpola (2004, 29) presents in “figure 2” a model of how the change is succeeded. Change is seen as a process where all the steps should be gone through properly. If not, change will fail because of the negative results as resistance towards the change and decreasing interest towards the whole project.

Defining the need for change	+	Creating common vision	+	Taking care of change ability	+	First operations	+	Anchoring to practice	=	Successful change
Missing	+	Creating common vision	+	Taking care of change ability	+	First operations	+	Anchoring to practice	=	Last place on working list
Defining the need for change	+	Missing	+	Taking care of change ability	+	First operations	+	Anchoring to practice	=	Fast beginning which fades away
Defining the need for change	+	Creating common vision	+	Missing	+	First operations	+	Anchoring to practice	=	Anxiety, frustration
Defining the need for change	+	Creating common vision	+	Taking care of change ability	+	Missing	+	Anchoring to practice	=	Random efforts and wrong beginnings
Defining the need for change	+	Creating common vision	+	Taking care of change ability	+	First operations	+	Missing	=	Deep disappointment and cynicism

Figure 2 Stages of change

Change causes instability and uncertainty, resistance is basically reacting in these surprising situations. Mattila (2007, 22) states that origins for the resistance may come from old habits, misunderstandings, differences in opinions or fear of not getting along with the change.

If messages of the need of change, goals and ways of acting are giving people contradictory information, behavior in the new situation is chosen the way that gives best results for one self. In worst case scenario, contradictory messages

can affect the way that people choose different ways of acting and finally whole change will fail. (Tiirikainen 2010, 158.) These issues are advisable to recognize before the project is started. To control this change, management needs to make clear the benefits that are achieved with the system in a way which all the users will understand.

Stevenson (2009, 675) emphasizes that transferring to a new system should be seen as balancing change, not just as a technical project. For example real-time and availability of information changes the job description. Employees need to familiarize themselves with the customers and utilize information more than earlier. Availability and usage of information becomes a fluent part of the basic work. A great salesman becomes also a great searcher of information.

Also Tiirikainen (2010, 71) says that IT projects should not be considered as IT solutions. As common as an overdrawn budget and schedule, is also a situation where the final result of the reform is a new information system, but no change in action. “I call these informational systems, which are serving daily business, operational business systems. Information system as such does not create new business structures; which mean new ways of acting and are based on practical management of tasks in new ways.” (Tiirikainen 2010, 29.)

To win this challenge Mattila (2007, 140-143) refers to communicating the vision of change on a practical level: what is wanted, by when and how is this going to be achieved. It is also essential to enable change widely: change happens in the whole organization, not just in one unit.

5 Planning the CRM project

Creating the base for the project is the first step of planning the change. The purpose is to create a general view of the intended change and the consequences of it, consider critically the current situation of the company and risks according to it, summarize the vision of change and concretize goals. It is im-

portant for a company to evaluate how far it is from the desired change. Realistic evaluation and discussion reveals, if the company has the ability for the change and are there enough resources and knowledge to do it. (Mattila 2007, 135-137.)

Sometimes in the daily work one hurries straight to project tasks without proper planning. Therefore, a documented project plan is a central product of the planning. Good planning saves time, resources and gives possibilities to avoid many problems. (Mäntyneva 2016, 50.) Commissioning of systems is expensive and time-consuming. It needs to be clear why a project is set out and what resources are reserved to it. Qualitative and quantitative, verbal and numerical goals must be set clearly so that all the participants may engage to them. (Stevenson 2009, 675.)

Also Oksanen (2010, 78) underlines, that business goals are the most important tool to communicate with the project team, supplier and to the whole group of users, telling what is expected from them. In the best case scenario, goals of the change project are divided into segments from which different units, groups and even single employees may pick up their own tasks (Mattila 2007, 148). In “figure 3” Oksanen (2010, 77) is presenting the defining process for goals and demands:

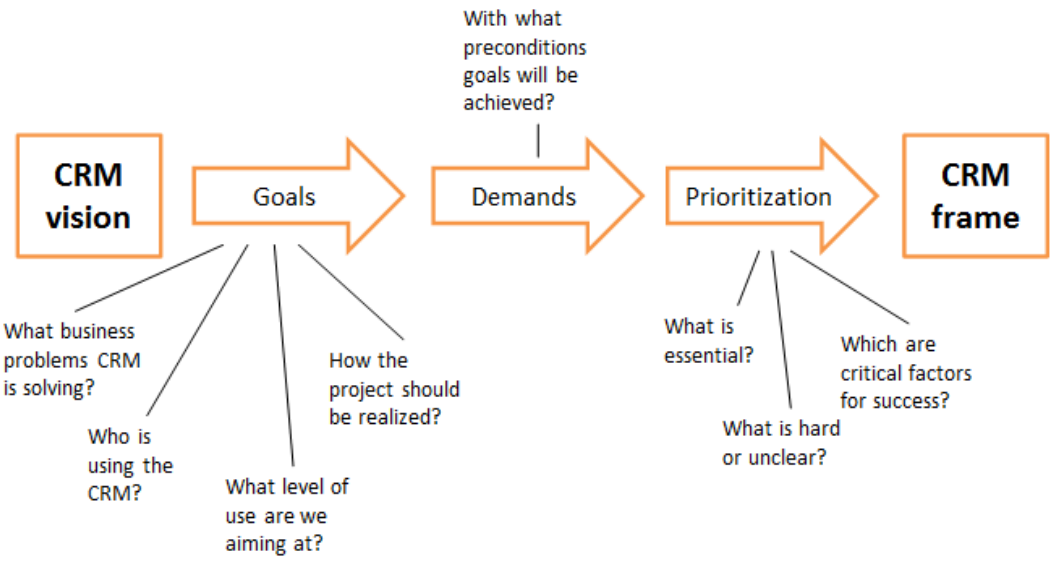

Figure 3 Defining processes of goals and demands

In the beginning of planning the extent of the project and limitations to the content must be considered. Business goals partly limit the content of the project by itself, but not completely (Oksanen 2010, 82). In this point it is essential to decide which parts are taken to this project and which will be handled in the next one. Good practice is to limit the pilot work into 2-3 core functions and investigate the success of their technical solutions. Oksanen (2010, 35) is listing examples of functions:

- Documenting and monitoring customer encounters (for example meetings)
- Segmenting of client database
- Controlling order and offer book
- Registration and handling of service calls.

Tiirikainen (2010, 144) emphasizes that these limits should be followed strictly during the work. Otherwise, the schedule is stretching, costs are rising and finally no one knows when the project will end. Practically, for example when goals aim to approve sales management, the project does not take into account challenges appearing in functionality of the customer service. Observations according to other units are marked up, but discussed and solved in the next project.

5.1 Specification of goals

CRM project goals are based on business goals. They highlight the solutions that are needed to solve the business problems. Usually problems are connected to collecting information, challenges in distribution or difficulties in processing of information. (Oksanen 2010, 78.) Effective and IT problems avoiding way of proceeding requires considerably concrete goals (Tiirikainen 2010, 95). Goals must be understandable and documented to every user. In the following chapter, a practical example of defining goals for a CRM commissioning project is shown:

1. What is wanted from the CRM system?
    - Customer information
    - Continuity of customer relations
    - More effective business
    - Data for management

2. Why are these wanted?
    - Better understanding of customers
    - Preservation and usability of information
    - Increase of sales
    - Predictability of sales

3. How are these goals achieved?
    - Existing data is transferred to a new system
    - Pilot group will test the system first and give feedback
    - Employees are educated properly how to use the new system
    - New information is documented to the system according to common directions given
    - Every user is using the system fluently in daily work

4. How is success measured after commissioning?
    - Amount and quality of new information
    - Increase or decrease of sales
    - Usage of the system per user
    - Costs and resource-consumption compared to benefits.

While defining goals, Stevenson (2009, 674) mentions that it is important to pay attention to a possible interim performance dip after start up. According to research, for example sales are decreasing in the beginning of commissioning of a new system. Results may not be seen immediately, there has to be found a balance between demand of profit and commissioning. Management has to set realistic goals by when the results are wanted. Mattila (2007, 193) underlines that in software projects, also successful follow-up requires financial resources.

Actual commissioning of the system is usually followed by some troubles and minor errors in usage, which still demand time and resources to correct.

After defining business goals, it must be cleared how they are achieved from a technical point of view. Technical specification means that upper level demands are in that kind of form that they are possible to execute by information technology (Oksanen 2010, 239). Usage of the system is based on certain goals and these goals need to be achieved with the system. Testing process of the system is considered more precisely in chapter 7.

5.2 Resources and timing

Observing only costs of the system is not enough, because going through the project may take a year and consume a lot of personnel resources (Stevenson 2009, 674). Mäntyneva (2016, 76-79) is presenting two ways to budget the project: total budget or composed budget. In total budgeting, the total cost for the project is given by a certain authority. Total budgeting requires previous knowledge of similar projects, which eases the precise enough evaluation of the costs.

In composed budgeting, a project group is estimating the upcoming costs together. The project is divided to work packages and a group estimates of how much each separate package may take resources. Composed budgeting may be more precise than total budgeting, because it is evaluating both direct and indirect costs as working time, project controlling, travelling, phone expenses, equipment and unexpected costs. The most essential part in both methods is to try to estimate the necessary working hours as precisely as possible. In IT projects, the working hours are usually the most expensive cost item. (Mäntyneva 2016, 76-79.)

According to Oksanen (2010, 35) a pilot project usually takes about three months to go through. For example from a project manager it may take half a day or even a full day of time during the high points of the project. Also a head

user may need 15 to 25 days in a year to help, update and develop the system for 50 users. Oksanen (2010, 235-238) underlines that it is essential to consider critically both human recourses and timing before starting (figure 4):

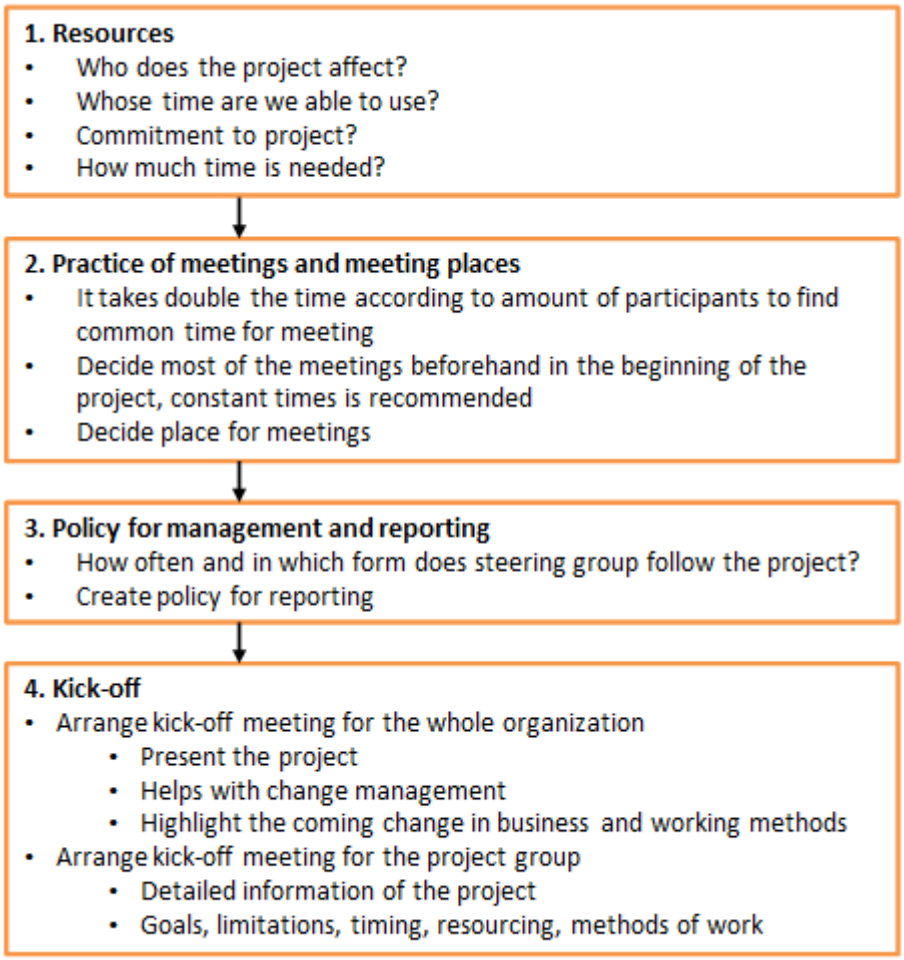

Figure 4 Resources and timing (Oksanen 2010, 235-238.)

Oksanen (2010, 83-84) recommends that the project schedule should not be locked too strictly in the beginning. Upper level schedule affects everyone, and also suppliers resources need to be considered. If project will not proceed in time, instead of hurrying up or changing the schedule, changing the content should be considered as the most beneficial alternative. Practically it means to prioritize the scheduling inside the project; which are the most important functions to do first and which can be done in the next project.

5.3 Formation of the pilot group

Process of change requires the decision, when and how much personnel from different levels of organization will be included in planning, and execution of the project. Benefits for strictly specialist-lead planning and execution are effective progress, focusing on core questions, simple project management and predictability of final results. In turn, disadvantages may appear in this kind of management. Employees and managers are left outside the project and therefore they are not committed to it. Also lack of silent knowledge and operative experience becomes a problem. (Mattila 2007, 147.)

Involvement of personnel from different units of the company affects positively the commitment for the project. It also brings possibility for observing different points of views, benefits from experience of daily work and prepares participants for the upcoming change. (Mattila 2007, 147.)

A well-functioning CRM group needs participants from both operational and managerial level. The steering group is guiding and supporting the project but decisions need to be done in the middle stage of management, between management group and staff. Stevenson (2009, 674) also underlines that in formation of the pilot group, technical participants and support is not enough. Technical support is available in training, but an employee who is working daily in business is in more important position in commissioning of the system.

In a pilot, it is necessary to consider who the users are now and who will use the system in the future. For example, if the system is first targeted at sales department, they are the core users. This does not mean that for example marketing department is forgotten. Different units have different needs; they must be handled through their goals. Issues that do not belong to the pilot are moved to another project according to the commissioning order decided. Nevertheless, the whole organization needs to be informed in the beginning of the pilot that the change is coming. The roles that must be defined inside the pilot group are listed here (Oksanen 2010, 100-117):

CRM OWNER

- Holds the highest responsibility of the system: at the level of business, not the level of data system
- Works in management group: sales, marketing or customer manager
- Communicates the change and runs it through in the company: is also user by oneself

PROJECT MANAGER

- CEO of the CRM project, right hand of the CRM owner
- Commands the project on daily level and is responsible that the final result comes true
- From the organization which starts to use the system, not technical expert from the company providing the system

HEAD USER

- Major importance for the culture of use and development of CRM
- Supervises the quality of use and obeying the common rules for usage
- Helps end users in practice
- Writes directions
- Solves problems with technical support
- Could be the same person as the project manager

PROJECT GROUP

- Participates in planning, defining and testing
- Participants from different units, also for managerial level
- For example deals with deleting unnecessary and organizing customer information
- Deputy system needed
- Usually become key users who are easy to approach by other workers

STEERING GROUP

- Final responsibility of management, monitoring, guidance and support of the project
- Governing role

- 5-7 persons, managers from different units and a representative from CRM provider
- Must be capable to do decisions
- Not members of project group, except project manager and CRM owner: purpose is to give external view
- Not responsible of daily decisions: not a forum for discussion

- Supports: cheers, spars and strengthens
- Guides: recognizes problems and fixes them

PERSON IN CHARGE of DATA PRIVACY

- Operates as a special expert in data and privacy protection
- Gives consultant help to management and personnel
- Co-operates with head user
- Responsible for valuation of realization of data privacy

TECHNICAL SUPPORT

- Responsible for technical matters
- Co-operates with the head user.

5.4 Specification of concepts

Data is the raw material of software and better information is the end product of it. More versatile, precise and timely information than before determines, if the IT solution brings business benefits or not. Programs cannot process any information by themselves; the defining process of the information and rules according to it needs to be done by the users. Principle of the concepts must be agreed between the users before the actual usage of the system. Digital information in different forms has to be directed precisely into the concepts that the company is using. (Tiirikainen 2010, 118-119.)

Many apparently similar concepts usually mean different things to different people. From sales point of view, customers are all those who are visited, whereas

financial management thinks that customers are the ones who pay bills. Customer service understands customers as the ones who take contact and logistics sees customers as the ones to whom the products are delivered. (Oksanen 2010, 154.) Also for example sellers and buyers are talking about orders, but for one it means an order coming from a customer and for another it means an order done to a supplier.

In both situations orders may include products and services, delivery times, prices, addresses but the situation of use is different. With computer it is not possible to direct information to right place and proper reports and analyses cannot be done if the concepts are not precise. (Tiirikainen 2010, 120.) Examples for concepts to define:

- Customer
- Person
- Invoice (to customer)
- Invoice (of purchase)
- Order (to customer)
- Supplier
- Delivery
- Product
- Warehouse

Core concepts have to be understood in the same way in the organization when working processes connected to them are about to be combined to a CRM system. (Oksanen 2010, 156.) To improve business, information has to be able to be identified and classified precisely, so that it may be utilized at the right time where it is needed for action. Incorrect and wrongly targeted information in the wrong place increases mistakes and does not improve working in any way (Tiirikainen 2010, 120.)

On practical level, it is recommended first to discuss for what target area (company, unit, process) concepts are about to be decided. Next step is to list concepts and draft short specifications of them. Final step is to discuss and decide

together what the final core concepts are and in what functions will they be used. Common understanding of concepts is an essential matter before any information is entered to the new system. (Tiirikainen 2010, 120.)

5.5 Organizing customer information

Oksanen (2010, 162) notes that explosive growth of data has led to its as radical decrease in quality. Existing data can be old, misinformation or useless. Correctness and essentiality of the data transferred to a system are most important fields that should be dealt precisely before transfer (Stevenson 2009, 674). Information, which is undefined and based on different concepts, is likely to produce only greater confusion. Also information which is scattered in different places in different forms is hard to be utilized when aiming to improve the business. (Tiirikainen 2010, 184.)

In CRM systems, data content can be divided in two groups: static and dynamic information (Oksanen 2010,163). Visible static information like names and addresses are much easier to control than dynamic information. Dynamic information, like activities, offers and mailing lists is forming and changing constantly. Dynamic information is also tacit knowledge. It is much harder to control and it needs more precise instructions before use. According to quality, final result is depending of the working process in forming information (Oksanen 2010, 164). In the “figure 5” is presented how to approach information before commissioning:

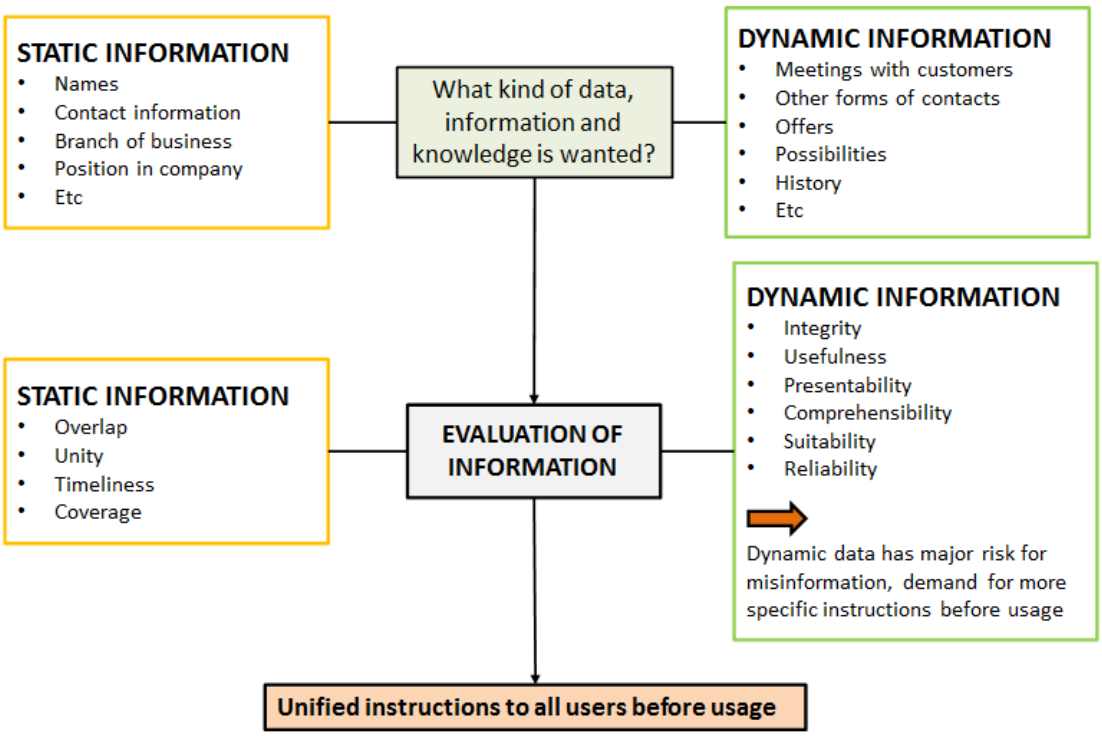

Figure 5 Forms of data content

When dealing with information, there should be more consideration about how the information will be used (output) than the entry of the data (input) (Oksanen 2010, 151). Data entry is a more technical function. The needs of business must be understood: who are using the information and what kind of information they need. For example inside one small unit it is questionable, why pass on information that will not be used by others? (Oksanen 2010, 26-27.)

In practical level, there are many outcomes to consider in existing and new information. Before any new information is transferred or entered to system, common understanding and instructions must be done. Controlling the information beforehand is possible; afterwards dealing with incorrect information is expensive, time-consuming and difficult. Incorrect or wrongly directed information in wrong place produces more mistakes and does not improve working in any way (Tiirikainen 2010, 120.) In “figure 6” is processed organization of customer information in practice (Oksanen 2010, 180-182):

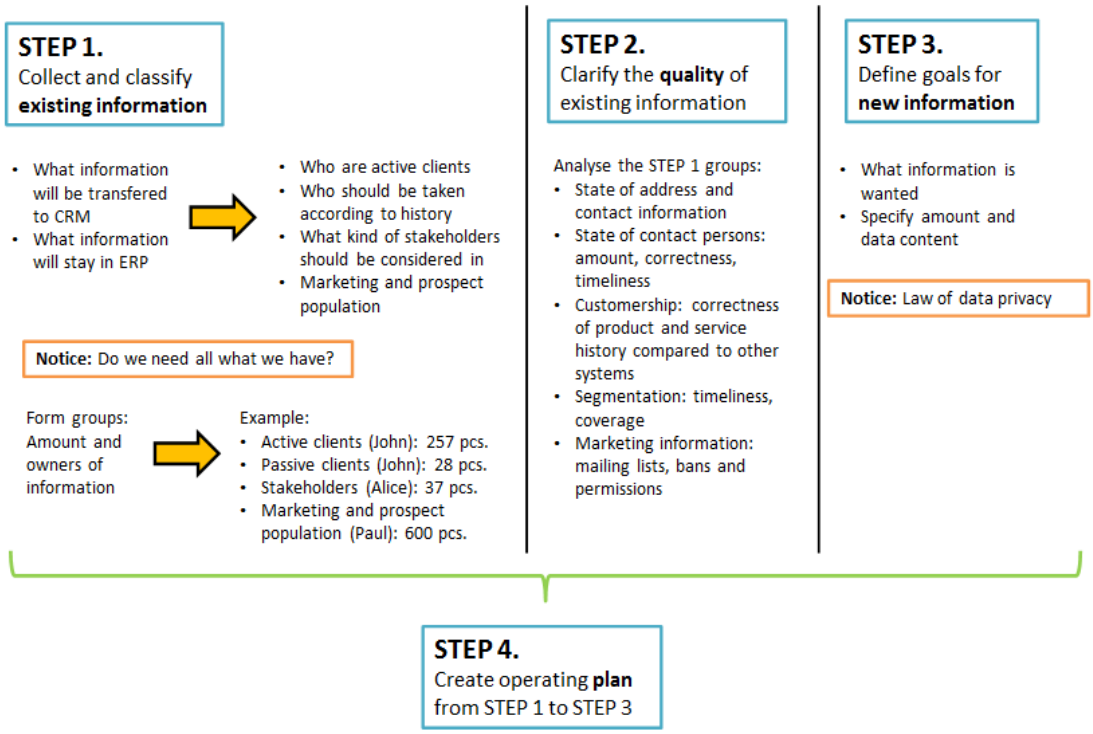

Figure 6 Organizing customer information in practice

6 Data Protection

European Union´s General Data Protection Regulation (GDPR) and Federal Law of Russia have to be complied with in CRM systems between Finland and Russia. Data protection laws apply to all acts of data processing, including collection, recording, systematization, accumulation, storage, alteration (update, modification), retrieval, use, transfer (dissemination, provision, access), depersonalization, blocking, deletion or destruction of data. Electronic (automated) and manual (non-automated) records of personal data will be subject to the data protection legislation. (Medvedev 2018.)

The EU General Data Protection Regulation (GDPR) replaces the Data Protection Directive 95/46/EC and was designed to harmonize data privacy laws across Europe, to protect and empower all EU citizens' data privacy and to reshape the way organizations across the region approach data privacy (EU

GDPR Portal 2018). In 2016 accepted GDPR is replacing Finnish Personal Data Act in spring 2018.

Similarly to the GDPR, Russian data privacy laws require the audit of all data processing activities as a primary step to build proper data protection systems and achieve compliance with legal requirements (Petrova 2017). According to Medvedev (2018) the main provisions of data protection and privacy law in Russia can be found in the:

- Strasbourg Convention for the Protection of Individuals with Regard to Automatic Processing of Personal Data 2005 (Strasbourg Convention)
- Russian Constitution 1993 (Articles 23 and 24)
- Federal Law No. 149-FZ on Information, Information Technologies and Data Protection 2006 (Data Protection Act)
- Federal Law No. 152-FZ on Personal Data 2006 (Personal Data Protection Act).

In addition, on 21 July 2014, Federal Law No. 242-FZ “On making amendments to certain laws of the Russian Federation regarding clarification of the order of processing of personal data in information and telecommunication networks” came into force (Brian Cave LLP 2015). The law No. 242-FZ requires operators to collect, store, and process Russian citizens’ personal data using databases located within Russia. Additionally, operators must also inform Russia’s Roskomnadzor, the state body that oversees telecommunications, information technology, and mass communication, of the location of the servers where Russians’ personal data is stored. (Bowman 2015.)

Both Federal Law of Russia and GDPR are giving data subject (natural person) more rights according to information that is processed. A data subject has the right to get information about what is registered, what the purpose of processing is, how long data is stored and if there is data transfer outside EU countries (Nevasalo 2018). A data subject has also the right to demand correction or deleting the data if it is not necessary for example in relation to service agreement or invoicing.

Supervisory authorities are responsible for monitoring the application of the law and they have the right to carry out investigations in the form of data protection audits (Intersoft Consulting 2018). This increases demands towards data controllers/operators. Laws require that data controller/operator has to be able to show and prove to supervisory authorities that the principles are complied with.

These requirements are not meant only for occasions if company is audited by supervising authorities; good customs, confidentiality and equality in processing of personal data have to apply continuously as a basic part of the business. If company infringes the provisions of the GDRP, fines at the highest point may be 20 million euros or 4 % of the company's annual revenue (GDPR EU Portal 2018). In Russia, fines are categorized more precisely; highest single fine of infringement is approximately 1 000 €. (Gorodissky & Partners 2017.)

Demands for obeying the laws must be a clear part of the common instructions of users. Russian data protection rules apply to all information related to Russian citizens and it is regardless of where the data operators are established and located. (Medvedev 2018.) This needs to be taken into consideration when building the case company´s CRM system; information is meant to be used both in Russia and in Finland, and the data is transferred between these countries.

According to system specialist (2018) before commissioning it has to be cleared for example what information it is possible to register, how to inform client about it, where data can be stored and how it can be transferred. Information related to law issues of data privacy in "appendix 2".

7 Testing the CRM pilot

Testing the system in the pilot group will be the first step in actual commissioning. The project plan must run along full-time, not abandoned when the system is taken into use (Stevenson 2009, 674). Goal for the pilot group is not to examine properties of the CRM tool, but it is to model the ways of acting in upcoming

change (Oksanen 2010, 32). Mission for testing is to authenticate that it is possible to take the system into use and to recognize errors that could prevent the use in problematic situation.

In practical level, the system is used and feedback and experiences are collected. It is recommendable that testing is done like meetings: clear time and place, 4-5 participants and the person in charge who is responsible for the realization and direction. (Oksanen 2010, 244-246.) The pilot group that has been formed needs to go through the execution of the testing:

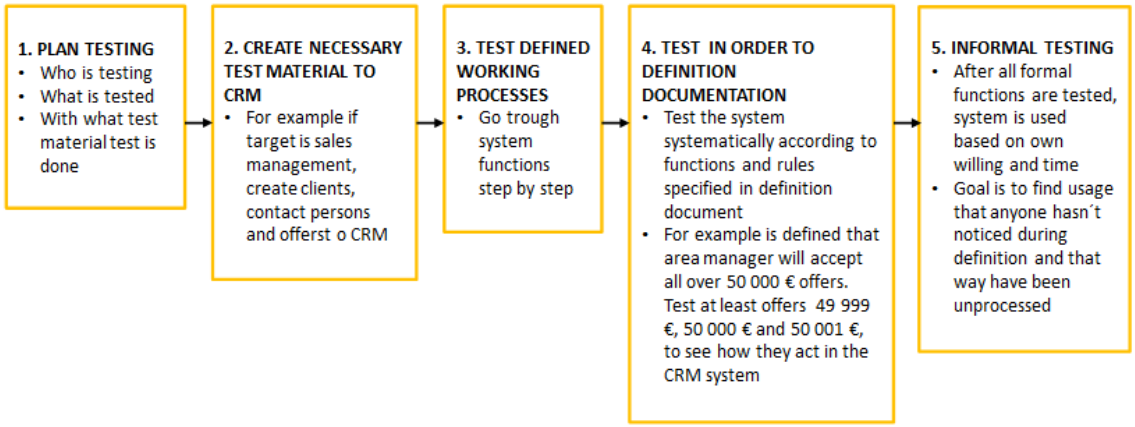

Figure 7 Execution of testing the system (Oksanen 2010, 245-246)

Successful testing demands common understanding from the pilot group; what is tested, how and in what form the feedback of the functionality of system is given. With the steps shown in “figure 7” it is possible to avoid the most common mistakes (Oksanen 2010, 245):

- Not knowing what is tested and how: this leads to dabbling
- Test only a couple of processes: forgetting coverage and special cases
- Not paying attention to change: act with old habits, as a result get unnecessary reports of mistakes
- Test only once: demands several times to know properly.

Documenting the core working processes for testing helps to understand the process and eases the recognition of gaps and problems in usage. This way, testing aims to document realization of business with the help of an information

system. When recognizing the problems, technical and functional issues have to be separated. Technical problems appear in cases where system is not working because of a bug in the software, whereas a functional problem is caused by a mistake in the defining process or misunderstanding of instructions. (Oksanen 2010, 246.)

An example of this kind of testing process is shown in “appendix 3”. Separating the cause of the problems helps the communication between users and technical support to understand what the problem is and how it can be fixed. Technical issues may be corrected by a system specialist, but functional problems, which commonly are related to inaccurate instructions of use, need to be discussed and solved in the project group.

8 Evaluation and closure of the pilot project

According to the concept of the project, it has a clear time limited start and end (Mäntyneva 2016, 143). Since all the tasks related to the project plan are done and a project subscriber approves the results, the project ends. Yet, evaluation of the project, results and final reporting of the project are matters that need to be done before the project is closed.

Ruuska (2005, 242) underlines that a project is always a learning process and benefits come from the increased expertise of the participants. In addition, achieved knowledge and increased information need to be disseminated to the whole organisation. The goal for the evaluation is to go through the project and make decisions regarding continuation. Oksanen (2010, 36-39) and Mäntyneva (2016, 144) list things to consider while evaluating:

- How did the pilot group relate with change?
- Is the planned change working in practice?
- How did the pilot group participate in project?
- What are the resources and time needed to wider commissioning?

- Is the system functional and does it fit with the needs?
- Did the goals set for the project come true?
- Is there need to change the goals and demands?
- How is the continuation executed?
- How to benefit from the results of the pilot project?
- Do the participants of the pilot project continue in the upcoming CRM -projects?

Evaluation of the project is documented to the final report. While evaluating the success of the project, the results are compared to the goals that have been set earlier. Both numerical and verbal goals are dealt to see if the project achieved what was wanted. If the project did not succeed in some goals, it is essential to discuss what causes led to failure and decide how the problems are going to be solved. When the success of commissioning is evaluated in the organisational level, Oksanen (2010, 29) shows that a CRM -solution can be regarded successful if in two years after commissioning every one of these criterions is actualized:

1. At least 4/5 planned users are using the system regularly
2. User organization is depending on the system, so the system is producing needed information in business management
3. System is an essential part of organization´s data management

At this point the original assignment of the project and issues concerning the further development must be separated from each other. According to the original limitations, when the final results are ready, the project needs to be closed determinedly. Suggestions that have appeared during the testing and in evaluating the project, but do not belong to the original tasks, are marked up on a separate document and discussed in an upcoming project. (Ruuska 2005, 240.)

Successful project requires that the outputs of the project are taken into use (Mäntyneva 2016, 144). In the pilot project, output may be for example functional instructions for users of when and what information is entered into the

system. As technical instructions of the new system already exist, output must concentrate more to the functional matters on practical level.

With the help of common instructions, new users may use the system more efficiently and possible misinformation may be prevented. As a result, one output of the project may also be the monitored amount of the resources that the pilot project consumed. This information eases the evaluation and preparation of the upcoming projects when the system is about to be expanded.

9 Continuation of commissioning

After the pilot project, commissioning is about to be expanded according to the plan. As told in introduction, the case company wishes to spread the CRM system also to the dealer network in Russia. Before moving to the dealer network, it must be checked if there are still parts to add or change in the case company´s own CRM system. There may appear for example a need for adding more functions or more users in the case company´s CRM system. These needs and challenges that came out in the pilot project, must be dealt with before the commissioning is started in the dealer network.

It is recommendable that planning, piloting and commissioning to the dealer network are executed with same basic structure than in the case company, but with recognition of differences and as a separate project. Perhaps the most influential matter for success of change suggestions is the thorough understanding of the starting points of the users (Mattila 2007, 107). By analyzing the current situation in the dealer network it is easier to prepare for risks that might appear in commissioning. In projects, there are always major risks connected to finance, schedule, quality and other issues. (Mäntyneva 2016, 131.) These risks should be recognized and prepared for before commissioning is executed.

Trying to create a solution which is incompatible with the company´s culture will not lead to success. There is a need to recognize the structure and working cul-

ture of a company. (Stevenson 2009, 674). Before expanding the system to dealer network it must be clarified what is the willingness of the dealers to migrate into a common system. If they have no previous experience of using CRM -systems, the customary way of acting may be considered satisfying and the new system is not felt necessary. Argument of the necessity of the change must come from the company: why the current situation is not good enough and why dealers´ role in the change is essential.

New sales software is taken into use with the idea that sales need the informational database which is uncommitted to single person and is usable by the whole organization. In order to achieve this, users are obligated to save to the system all the memos of emails, calls and meetings with the customer. Idea is that with the help of the new information, company may recognize systematically new customer needs and this way, increase sales. (Tiirikainen 2010, 85.)

However, usually major part of seller´s income is composed of sale bonuses, not from the use of a system. If the new system increases the amount of work and the use does not give income or any other benefits, the starting point for use is very negative. In addition to this, according to system specialist (2018), dealers will pay the system costs themselves. If it is not compulsory to move to the new system and dealers have to pay for it, there is a major risk that change is not wanted. If the system is not forced to be used by the company, it must be argued precisely for dealers what the benefits are that they get by using the system and updating the information.

Before the commissioning the dealers' capability for the migration must be clarified. By technical point of view there is a need to investigate the current situation of the information; where (Excel, Word, paper, other system) and on what level information is at the moment. This would ease the technical execution and also help operational planning to evaluate the need for timing and resourcing (system specialist 2018). In addition, it is considered that one unit of dealers could deal with one account; it would mean approximately 3-4 users per account. In this case the implementation of the use on practical level must be en-

sured: how the use is guaranteed equally between the users and without any extra expenses.

According to system specialist (2018) before commissioning the hierarchy of the users must be cleared; on what level the dealer network is in relation to the case company and what is the visibility between users themselves. For example in Sweden, other seller cannot see colleague's sales, only management is able to check employee´s sales information. This is an important matter to discuss with the dealers. If using the system requires employees to give own valid work and information for others to see, it may be experienced negatively. For dealers it must be argued clearly, what is the purpose for the company to get the information.

Discussion about the possible problems related to commissioning is recommendable for the project group. Proactive approach to risks enables fast reaction if the risk comes true. Preparing helps to know how and who can deal with the problem. (Mäntyneva 2016, 137.) In the "figure 8" one example is presented of how to prepare for the risks in the commissioning project:

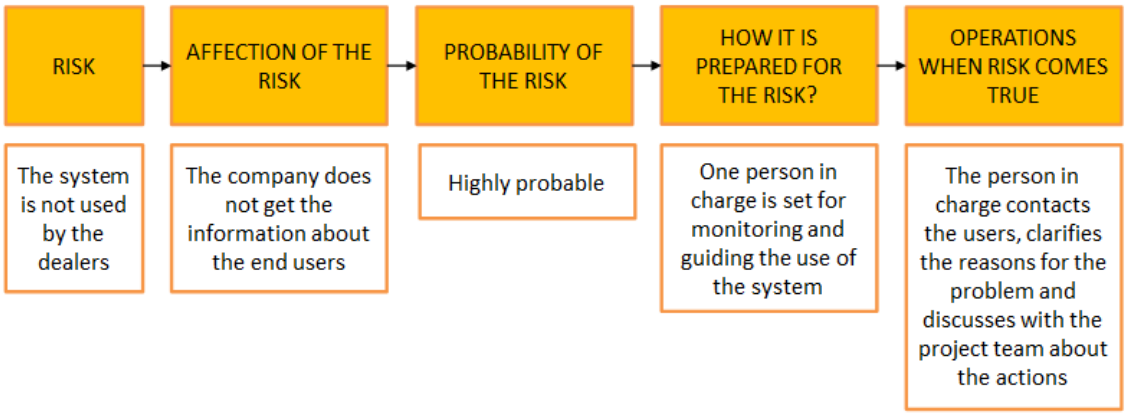

Figure 8 Preparing for the risks of the project. (Mäntyneva 2016, 138.)

After a thorough evaluation of the starting points and special requirements of the dealer network, the commissioning may be executed. Planning is able to be done with the same basic structure as with the pilot project, even if some details as responsibilities and roles of the project team may change in a new project.

Knowledge that has increased in the project team while commissioning the pilot will ease the continuation of the project significantly.

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10 Conclusion

Purpose of this thesis was to create a commissioning plan for the principal to be used in the execution of a new CRM system. The thesis was based on arranged meetings in Saint Petersburg in subsidiary case company with the upcoming users of the system and in Vieremä in the parent company with the system specialist who has been responsible of the previous commissionings of the CRM system in the organization.

Users´ starting points and view toward the system was defined in the discussion and expectations to the thesis were gone through. Request from the users was to gain understanding of CRM systems, what stages are required while planning and executing and how it could later be extended to the dealer network. In the meeting with the system specialist the previous cases and also demands of the system from the technical point of view were gone through.

Going through the previous commissionings in the company was important as it helped to understand reasons that led to challenges or successes in the execution and use of the system. It came up that processes of the commissionings have not been documented earlier. Therefore, the thesis will be a supportive tool in the execution of the CRM system.

The thesis was performed as a functional work and it did not include any formal research in the company. Structure of the thesis was complying with the process of a project: planning, testing, evaluation and continuation. The thesis was based on operative approach to CRM commissioning and in addition to theoretical basis; it was about to give practical advice on how to go through the project successfully.

Thesis was not concentrating on technical details or considering differences between CRM systems, as the software is already in use. The thesis was focusing to help the users to understand the functionality and benefits of the system; what resources and demands the system commissioning requires. As commissioning of IT solution in a company needs a certain approach according to the change management, the thesis also gave both theoretical and practical instructions on how to deal with the change in an organization.

This thesis is not observing the actual commissioning, as it is written before the pilot project is executed. The thesis gave the basis for the project. As proposition for development it would be very useful for the organization to document the practical process of the pilot project. Documented experiences, consumption of resources and results of the project would be an excellent help when evaluating success and preparing the upcoming projects. In this way the thesis is able to be used as a supportive tool in planning and execution of the pilot project and also when expanding the commissioning to the dealer network of case company´s Russian market.

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Check-list for the project´s content (Mäntyneva 2016, 52):

- Is the project´s content and quantity described clearly?
- Are the needs of the project´s stakeholders taken into account?
- Is the timeline of the project believable?
- Are the resources of the project really available?
- Are the project´s funding and budget in line with each other?
- Are the project´s wanted results described precisely enough?
- Are the tasks described clear enough?
- How the tasks are shared to members of the project group?
- Are the tasks of the project scheduled?
- Is the progress of the project divided in steps?
- Is the project organization and project management described?
- Are the possible risks and how to prepare to them described?
- How is prepared to possible changes in the project?

Law issues related to data privacy

Concepts in data protection laws differ in some points between GDPR and Federal Law of Russia. GDPR contains concepts of:

- *Data subject*: an identified or identifiable natural person
- *Data controller*: the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the processing of personal data; where the purposes and means of such processing are determined by Union or Member State law
- *Data processor*: a natural or legal person, public authority, agency or other body which processes personal data on behalf of the controller
- *Third party*: natural or legal person, public authority, agency or body other than the data subject, controller, processor and persons who, under the direct authority of the controller or processor, are authorized to process personal data. (Intersoft consulting 2018.)

In comparison to GDPR, Russian data protection laws do not contain the concepts of "data controller" and "data processor". However, the Personal Data Protection Act does refer to the concept of "data operator". A data operator organizes and/or carries out (alone or jointly with other persons) the processing of personal data or determines the purposes of personal data processing, the content of personal data, and the actions (operations) related to personal data. (Medvedev 2017.)

1. WHEN DATA SUBJECT (CUSTOMER) CAN BE REGISTERED INTO THE SYSTEM?

- Data subjects consent is required before processing personal data (both EU and RUSSIA)
    - The data subject's consent must be specific, informed, willful, clear and revocable.
- There is no prescribed or approved form of consent. The data subject's consent can be obtained in any form, including online. However, the Personal Data Protection Act of Russia specifies the information that must appear in the written consent of the data subject:
    - First name, middle name, surname and address of the data subject, number of the ID (for example, passport), date of issue of the ID and the issued authority.
    - First name, middle name, surname and address of the representative of the data subject, number of the ID (for example, passport), date of issue of the ID and the issued authority, details of the power of attorney or other applicable document (if the consent has been given by the data subject's representative).
    - First name, middle name, surname and address of the data operator.
    - Purpose of the data processing.
    - List of consented personal data.
    - First name, middle name, surname and address of a third party that is processing the personal data under the authorization of the data operator.
    - List of consented actions in relation to personal data, and a general description of the methods of data processing used by the data operator.
    - Duration of data subject's consent, and the method of its revocation.
    - Signature of the data subject

2. WHAT INFORMATION IS POSSIBLE TO REGISTRATE OF DATA SUBJECT?

- Both EU and Russia require that no sensitive data is allowed: any information that relates to nationality, racial or ethnic origin, political opinions, religious or philosophical beliefs and the state of a person's health or sex life, except if data subject has provided his written consent to the data processing
- Russian data privacy laws set out specific requirements regarding written data processing consent and treat it as revocable at any time, unless the data controller has another legal ground to continue data processing. This concept is aligned with the EU concept of processing in accordance with the data controller's legitimate interest or due for the performance of legal obligations or a contract with the data subject, where the data subject refused to provide the consent or revoked it. → Data subject has right at any time to check the information that is registered of them
- Also Roskomnadzor's officers are entitled to visit the data controller's offices, review relevant documents for compliance (e.g. the existence of data subjects' consent, internal privacy policies, etc.) or 'in-office' inspections, where the Roskomnadzor only reviews available documents (e.g. a privacy policy made available online) → has ability to block online resources that they consider illegally process the personal data of Russian citizens
- As a conclusion, information is allowed to register IF it:
    - Is having written consent of data subject
    - Contains justifiable information that is appropriate to company's business
    - Does not offend customers sensitive data in any way

3. WHAT KIND OF REGULATIONS AFFECTS TO SAVING, TRANSFERING AND DISTRIBUTING OF INFORMATION OUTSIDE RUSSIA?

- Federal Law of Russia No. 242-FZ requires that data operators must store personal data of Russian citizens on servers located within the territory of the Russian Federation.

- Data subject consent is required of transferring information outside Russia and approval for distributing information for third party to process.
- It is legal to duplicate the information after storage in Russian server. CT Consulting is providing personal data storage services in the certified data center with the information security requirements in the Russian Federation:
- DFG152 is certified application, developed as required under the Federal Service for Technical and Export Control (FSTEC) of Russia that enables organizations to process personal data in full compliance with Federal Law dated 27.07.2006 No. 152-FZ (as amended on 21.07.2014) "On Personal Data". http://dfg152.ru/en/

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Example of a testing process